

~~EXECUTIVE SECRETARIAT~~

ROUTING SLIP

TO:

| | | ACTION | INFO | DATE | INITIAL |
|----------|------------|------------|------|------|---------|
| 1 | DCI | | | | |
| 2 | DDCI | | | | |
| 3 | EXDIR | | | | |
| 4 | D/ICS | | | | |
| 5 | DDI | | | | |
| 6 | DDA | | | | |
| 7 | DDO | | | | |
| 8 | DDS&T | | | | |
| 9 | Chm/NIC | | | | |
| 10 | GC | | | | |
| 11 | IG | | | | |
| 12 | Compt | | | | |
| 13 | D/OCA | | | | |
| 14 | D/PAO | | | | |
| 15 | D/PERS | | | | |
| 16 | D/Ex Staff | | | | |
| 17 | D/NESA/DI | | X | | |
| 18 | D/LDA/DI | | X | | |
| 19 | | | | | |
| 20 | | | | | |
| 21 | | | | | |
| 22 | ER | | | | |
| SUSPENSE | | Date _____ | | | |

Remarks

STAT

Executive Secretary

30 Mar '88

Date

3637 (10-81)



United States Department of State

URGENT

Washington, D.C. 20520

ER 88-1129x

March 28, 1988

LIMITED OFFICIAL USE

MEMORANDUM TO:

| | | |
|----------|---|--------------------|
| D | - | Mr. Whitehead |
| P | - | Mr. Armacost |
| E | - | Mr. Wallis |
| T | - | Mr. Derwinski |
| M | - | Mr. Spiers |
| C | - | Mr. Kampelman |
| A/OPR/LS | - | Mr. Obst |
| AF | - | Mr. Crocker |
| CA | - | Ms. Clark |
| EB | - | Mr. Larson, Acting |
| EUR | - | Ms. Ridgway |
| H | - | Mr. Fox |
| HA | - | Mr. Schifter |
| INR | - | Mr. Abramowitz |
| INR/B | - | Ms. Thompson |
| IO | - | Mr. Williamson |
| L | - | Mr. Sofaer |
| NEA | - | Mr. Murphy |
| PA | - | Mr. Redman |
| PM | - | Mr. Holmes |
| RP | - | Mr. Moore |
| S/P | - | Mr. Solomon |
| S/CT | - | Mr. Bremer |
| AID | - | Ms. Hageboeck |
| CIA | - | |
| USIA | - | Mr. Taylor |

STAT

SUBJECT:

The Secretary's Trip to Israel, Jordan, Egypt, Saudi Arabia, and Syria, April 3-April 8, 1988.

COORDINATOR:

Philip C. Wilcox, NEA, Room 6244, 647-7170

DEPUTY COORDINATOR:

John Holzman, NEA/IAI, Room 6247, 647-3672

S/S-S ACTION OFFICER: Blair Hall, Room 7241, 647-8338

This memorandum assigns responsibilities for the preparation of briefing materials for use by the Secretary during his trip to the Middle East on April 3 - April 8, 1988. Bureaus wishing to suggest additions or changes to this tasker should contact the S/S-S Action Officer as soon as possible.

**URGENT**

L-249-IR

LIMITED OFFICIAL USE

- 2 -

I. BRIEFING MATERIALS FOR THE SECRETARY: The following briefing materials should be prepared for use by the Secretary:

A. Briefing Outlines and Talking Points

NEA should prepare a briefing outline with talking points for the Secretary's use during each meeting he will have during the trip. Talking points should be attached on separate pages in the format attached. These memos are due in S/S-S, cleared by P and other appropriate bureaus, by COB March 29.

B. Background Materials:

Fact Sheets: The following one-page fact sheets should be prepared according to the attached format and cleared appropriately. They should be delivered to the NEA Coordinator no later than COB March 29.

| <u>TOPIC</u> | <u>DRAFT</u> | <u>CLEAR</u> |
|--|--------------|--------------|
| BILATERAL ISSUES: <u>Israel</u> | | |
| (1) Internal politics | NEA | P |
| (2) Situation in the Occupied Territories | NEA | P |
| (3) Quality of Life in West Bank and Gaza | NEA | |
| (4) Palestinian Fourteen Pts | NEA | |
| (5) Palestinian Politics | NEA | |
| (6) Memorandum of Agreement | NEA | P, PM |
| (7) FMS Refinancing | NEA | PM |
| (8) Saudi Missles | NEA | P |
| (9) Emigration of Soviet Jewry | NEA | EUR, HA |
| (10) Economic and Assistance Issues | NEA | AID |
| BILATERAL ISSUES: <u>Egypt</u> | | |
| (1) Egypt-Israeli relations | NEA | P |
| (2) Taba | NEA | P, L |

LIMITED OFFICIAL USE

- 3 -

- | | | | |
|-----|--------------------------------|-----|---------|
| (3) | Egypt-Arab State relations | NEA | P |
| (4) | Economic and Assistance Issues | NEA | EB, AID |

BILATERAL ISSUES: Jordan

- | | | | |
|-----|---|-----|-------|
| (1) | Impact of West Bank/Gaza Unrest on Jordan | NEA | P |
| (2) | Jordan-Arab Relations | NEA | P |
| (3) | Jordan Aircraft Purchase | NEA | PM |
| (4) | Closure of PLO UN Mission | NEA | IO, L |

BILATERAL ISSUES: Syria

- | | | | |
|-----|-------------------------------|-----|---------|
| (1) | Syrian Internal Politics | NEA | P |
| (2) | Lebanon Constitutional Reform | NEA | P |
| (3) | Southern Lebanon | NEA | |
| (4) | List of Sanctions | NEA | |
| (5) | Syria and Terrorism | NEA | P, S/CT |
| (6) | Syria and Peace Initiative | NEA | |

BILATERAL ISSUES: Saudi Arabia

- | | | | |
|-----|-----------------------------|-----|--------|
| (1) | Missiles | NEA | P, PM |
| (2) | Afghanistan | NEA | P, EUR |
| (3) | Saudi View of Peace Process | NEA | |

C. Economic Data Sheets: NEA should prepare an economic data sheet (sample attached) for each stop. They are due in S/S-S by March 29.

D. Scenarios/Schedules: NEA should prepare a schedule which shows meetings and public events at each stop. This paper is due in S/S-S by March 29.

LIMITED OFFICIAL USE

- 4 -

E. Interpreter Requirements: Language Services (A/OPR/LS) should prepare a memo on whether interpreters will be needed for any of the Secretary's meetings. If interpreters are required, please provide details on how one will be provided. This memo, cleared by NEA, is due in S/S-S by March 29.

II. PUBLIC STATEMENTS

NEA should prepare drafts of public statements and remarks expected to be made by the Secretary during the trip. This includes any public statements specific to the meetings. There should be a public statement for the Secretary's arrival at Tel Aviv. NEA should also prepare press themes for use at press conferences in Rome and Jerusalem, and for all departures. All public statements should be cleared with PA and S/P. Cleared drafts (double-spaced) should be attached to an Information Memorandum from the Regional Assistant Secretary to the Secretary and are due in S/S-S by COB March 29.


III. BIOGRAPHIC MATERIAL

S/S-S will request appropriate biographic material. By March 29, NEA should provide the S/S-S Action Officer with a list of names of officials and their wives the Secretary is expected to meet.

IV. THANK YOU LETTERS

NEA should draft substantive thank you letters which the Secretary should send to his foreign hosts/counterparts after each stop. These draft letters are due in S/S-S COB March 29.

PLEASE NOTE: S/S-S requires the original, three copies and the Wang diskette for all papers. Drafting and clearing information should appear on a separate page. All papers for the trip should be delivered to the S/S-S Action Officer through the NEA Coordinator. They should not be logged in with S/S-I.


Melvyn Levitsky
Executive Secretary

Attachments:

1. Sample Talking Points
2. Sample Fact Sheet.
3. Sample Economic Data Sheet.

SAMPLE TALKING POINTS FOR
BRIEFING OUTLINE

LIMITED OFFICIAL USE

o U.S. - SRI LANKA RELATIONS

- appreciate moderate stance you take in international organizations and NAM
- pleased with agreement on new VOA site.
- gratified by GSL policies permitting ship visits and aircraft transits from all nations.

o THE PROSPECTS FOR PEACE

- commend great progress made and admire President Jayewardene's strong leadership and statesmanship.
- believe negotiated settlement only way to end conflict; requires continued flexibility by both sides; do not believe purely military solution possible.

o SRI LANKA'S HUMAN RIGHTS RECORD

- realize you have difficult war on your hands and that Tamil insurgents responsible for serious human rights abuses.
- ultimate solution to human rights problems lies in negotiated settlement. You have our support and encouragement in your peace efforts.
- in your interest to investigate and take action when human rights abuses by security forces are alleged.

o HAMEED'S INTEREST IN STRENGTHENING NAM MODERATES

- appreciate GSL's work for NAM moderation.
- anti-US name-calling reached new high at Harare.
- How can U.S. help to bolster NAM moderates?

LIMITED OFFICIAL USE

E. OTHER FORMATS

1. Fact Sheet

a. Guidance for Drafters

PURPOSE: to provide factual background information in a concise format.

FORMAT: one page, using headings in logical progression, with bullets for main points and ticks for subsidiary points under each heading. Should provide Principal a concise overview of the issue discussed, including where it stands and what we should do about it. Incomplete, telegraphic sentences preferred.

USES: mostly briefing books. Fact sheets are a condensed version of the background papers earlier provided for trips, visits, testimony and to the White House. Topics covered range from the general, e.g. "US-British Relations" to the very specific, e.g. "Israeli Cabinet Formation".

DEPARTMENT OF STATE
BRIEFING PAPER

LIMITED OFFICIAL USE

FACT SHEET: EXPORT ENHANCEMENT PROGRAM

I. IMPACT OF U.S. EXPORT SUBSIDIES ON CANADA

- o U.S. subsidies under the Export Enhancement Program (EEP) are available in many of Canada's main markets for wheat and some other grains and oilseeds.
- o Damage to Canada is lessened by the U.S. requirement that importing countries continue to buy historic quantities from non-subsidizing suppliers. However, there is a depressing effect on prices.

II. CANADIAN POSITION

- o Joe Clark raised the EEP with you on the margins of the NAC in Brussels October 24. His primary concern appears to be that EEP sales could complicate ratification of the Free Trade Agreement in Canada.
- o Before Thanksgiving, Amb. Gottlieb called on Dick Lyng, and a lower level demarche was made to the Department, to protest EEP sales to the USSR, China, Iraq, and Algeria.
- The Canadians assert that they are being hurt by a U.S.-EC subsidy war; that the EC was not a factor in the Iraq and Algeria markets; and that use of the EEP strains the basis for cooperation in multilateral fora, such as Uruguay Round negotiations.

III. U.S. POSITION

- o In your November 13 response to Joe Clark, and in other exchanges with Canada, we have stressed that the EEP is used to regain markets lost to subsidized competition; we take steps to safeguard the market positions of non-subsidizing suppliers; and GATT negotiations offer the best means to eliminate the EEP and other trade distortions.
- o We notify Canada of major EEP sales simultaneously with their announcement, but we have resisted Canadian efforts to seek advance consultations.
- o To ameliorate the impact on Free Trade Agreement ratification in Canada, USDA has spread out large sales to USSR and China over several months.

LIMITED OFFICIAL USE

ECUADOR -- AT A GLANCE

- o Growth weak but inflation down.
 - Real growth this year may not match 1984's 3 percent.
 - Agriculture rebounding from "El Niño"; oil production up.
 - Inflation this year will be about half the 1983 peak of 53 percent.
- o Good compliance with IMF program; seeking multi-year reschedulings.
 - Met all but one target of 1983/84 stand-by; new stand-by approved March.
 - Agreement in principle on \$4.6 billion com'l bank multi-year rescheduling.
 - Paris Club may approve Multi-Year Rescheduling Agreement in April.
 - Ecuadoreans taking pragmatic approach to external debt issues.
- o President Febres-Cordero favors private sector, free market policies.
 - Signed OPIC Investment Guarantee Agreement last November.
 - Encouraging oil exploration by foreign companies.
 - Eliminated budget deficit, cutting subsidies, more flexible exchange rate.

Wang 43757

ECONOMIC DATA CHART -- ECUADOR

Revised: 3/25/85

Many 4375P

| | 1981 | 1982 | 1983 | 1984 E | 1985 E |
|--|------|------|------|--------|--------|
| 1. ECONOMIC INDICATORS: | | | | | |
| 1a. Population (mid-year, million) | 8.6 | 9.0 | 9.3 | 9.5 | 9.7 |
| 1b. Official Unemployment Rate (percent) | 10.0 | 0.7 | 12 | 8 | 7 |
| 1c. Gross Domestic Product (\$ billion) (1) | 13.9 | 13.8 | 12.9 | 10.4 | 11.2 |
| 1d. GDP Per Capita (\$) | 1600 | 1550 | 1450 | 1200 | 1150 |
| 1e. Investment/GDP Ratio (percent) | 24.6 | 24.6 | 16.4 | N/A | N/A |
| 1f. Real GDP (percent change) | 4.3 | 1.4 | -3.3 | 3.0 | 2.4 |
| 1g. Real GDP Per Capita (percent change) | 1.6 | -1.3 | -6.2 | 0.1 | -0.5 |
| 1h. Inflation Rate (percent) | 17.3 | 24.4 | 52.5 | 25.1 | 20 |
| 2. FISCAL INDICATORS: | | | | | |
| 2a. Public Sector Revenues as percent of GDP | 13.4 | 10.7 | 27.0 | 29.2 | 33.4 |
| 2b. Public Sector Expenditures as pct of GDP | 19.0 | 17.5 | 27.1 | 29.2 | 30.0 |
| 2c. Public Sector Balance as percent of GDP | -5.6 | -6.8 | -0.1 | -- | 3.4 |
| 3. BALANCE OF PAYMENTS: | | | | | |
| 3a. Exports to US (\$ billion) | 1.0 | 1.1 | 1.4 | 1.7 | 1.7 |
| 3b. Imports from US (\$ billion) | 0.8 | 0.8 | 0.6 | 0.7 | 0.4 |
| 3c. Total Exports (\$ billion) | 2.5 | 2.3 | 2.4 | 2.5 | 2.7 |
| 3d. Total Imports (\$ billion) | 2.4 | 2.2 | 1.4 | 1.6 | 1.0 |
| 3e. Merchandise Trade Balance (\$ billion) | 0.1 | 0.1 | 1.0 | 0.9 | 0.9 |
| 3f. Current Account Balance (\$ billion) | -1.0 | -1.2 | -0.1 | -0.2 | -0.2 |
| 4. EXTERNAL DEBT | | | | | |
| 4a. Gross External Debt (\$ billion) | 5.9 | 6.2 | 6.9 | 7.2 | 7.5 |
| 4b. Gross External Debt per capita (\$) | 680 | 690 | 740 | 760 | 770 |
| 4c. Debt Service Paid (\$ billion) | 1.8 | 2.1 | 0.9 | 1.0 | 1.1 |
| 4d. Debt Service as percent of exports | 71 | 77 | 34 | 36 | 37 |
| 4e. Gross Debt as percent of GDP | 54 | 45 | 51 | 50 | N/A |
| 5. US BILATERAL AID, by Fiscal Year | | | | | |
| 5a. Economic assistance (\$ million) (2) | 14.8 | 19.7 | 11.1 | 12.2 | 41.7 |
| 5b. Military assistance (\$ million) | 4.3 | 5.0 | 4.6 | 6.7 | 4.7 |

(1) GDP data are derived and subject to distortion because of exchange rate fluctuations.
 (2) Includes FY 81/84 Disaster Assist of \$23 million.

SAMPLE

UNCLASSIFIED

SAMPLE

PRESS THEMES

ARMS CONTROL

GENERAL

- The President's arms control agenda is working.
- Now closer than ever to agreement to eliminate an entire class of nuclear weapons -- first time in history.
- Believe agreement for 50% cuts in strategic offensive arms still possible, but Soviets must negotiate seriously on remaining issues (sublimits, linkage to SDI).
- U.S. just completed first ever on-site inspection of a Soviet military exercise -- part of confidence-building regime signed last September in Stockholm. Pleased to report good cooperation from Soviets.
- Progress results from President's steadfastness in seeking deep reductions in nuclear weapons and in countering Soviet arms buildup until we achieve such reductions.

VERIFICATION

- U.S. set agenda for verification. No U.S. softness on this issue; have proposed most stringent verification regime ever. Soviets know that we won't settle for less.

INF

- FRG PlAs are part of a long-standing program of cooperation. They have not been -- and will not be -- subject to U.S./Soviet negotiations. We strongly support Chancellor Kohl's recent decision and reaffirmation of this principle.
- Chancellor Kohl's statement removes last minute obstacle artificially imposed by Soviets.

UNCLASSIFIED